

**DEPARTMENT OF TRANSPORTATION**

DESIGN AND LOCAL PROGRAMS

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September 9, 1999

To: All Transportation Agencies Receiving Federal-Aid Highway Funds

New Federal regulations have been issued regarding Disadvantaged Business Enterprises (DBE). The new DBE rule (49 CFR Part 26) replaces the old rule (49 CFR Part 23) that governs DBE procedures for the U.S. Department of Transportation (DOT)-assisted contracts. Therefore, all Federal-aid recipients will have to submit revised DBE programs to make sure that they are reflecting the new requirements.

In June, we informed you that Caltrans was developing a new DBE program for California, but that you were to continue to follow the procedures in the *Local Assistance Procedures Manual* until new guidance was issued. Caltrans submitted California's proposed DBE Program Plan, including the procedures for local agencies, to the Federal Highway Administration (FHWA) for approval on August 31, 1999. We expect prompt action by the FHWA, but we cannot issue the new instructions and deadlines for submittal of local agency DBE programs until the DBE program is approved.

If you receive Federal-aid funds directly from other U.S. DOT agencies, you may have been required to submit your DBE program to them by September 1, 1999. As the primary recipient of all Federal-aid highway funds in California, Caltrans was also required to meet this deadline. However, since the FHWA has delegated approval authority to Caltrans for DBE programs for sub-recipients of Federal-aid highway funds, we will set the deadline for your submittal.

To expedite implementation of the new local agency DBE programs, Caltrans has proposed an incremental approach to meeting the new regulations. For the first year, we have proposed that local agencies would be allowed to simply adopt Caltrans' overall goal and a Pre-approved DBE Program. For local agencies adopting this interim goal and program, overall goal setting methodology would not need to be included in the initial DBE Program, but would be amended in at a later date. A draft of the Pre-Approved DBE Program Plan that incorporates this approach is attached. Contract provisions based on the new DBE regulations are also being developed by Caltrans. Sample boilerplate contract documents will be provided as soon as Caltrans' DBE Program Plan is approved.

Local agencies may also develop their own program, and submit it to Caltrans for approval. However, approval will be subject to the requirements of Caltrans' Program Plan as it is approved by the FHWA. A sample DBE program developed by the U.S. DOT is available from the Internet. Also, we encourage you to obtain a copy of the new regulations and review them. The regulations and U.S. DOT sample DBE program are available from the Internet at

**"We'll Find a Way"**

<http://osdbuweb.dot.gov/programs/dbe/dbe.htm>.

Starting in Federal fiscal year 2000 (October 1, 1999), local agency requests for authorization of Federal-aid highway funds will not be processed without one of the following:

- A statement that the local agency will continue under their existing adopted DBE program until Caltrans' DBE Program Plan is approved by the FHWA and Caltrans issues the final implementation instructions, including the final Pre-Approved Program. (Note: Once Caltrans issues final instructions, the local agency will have 30 days to forward their intent to either adopt the Pre-Approved Program or submit their own draft program.)
- Submittal of a draft copy of the local agency's proposed program and an estimate of the length of time it will take for the local agency's governing board to adopt the program, once Caltrans has approved the proposal. (If the local agency expects to submit a request for authorization of Federal-aid highway funds prior to the anticipated adoption, they should indicate their intent to either continue under their existing DBE program or proceed with the draft program.)

We realize that the new requirements pose challenges to local agencies and we are anticipating many questions regarding the new regulations and deadlines for submittal of revised local DBE Programs. To address these questions, we are conducting workshops in each Caltrans district (see attached schedule). If you have not participated in or have not been contacted regarding these workshops, please contact the person on the attached schedule.

Sincerely,

DEBORAH A. MAH  
Assistant Program Manager  
Design and Local Programs

Enclosures

## New DBE Program – Training Schedule

District – Training Location	Date	Contact Phone Number
District 1 – Eureka	September 21, 1999	Ed Cramer 707-445-6397
District 2 – Redding	September 20, 1999	Mark Fawver 530-225-3489
District 3 – Marysville	September 27, 1999	Bryan Nassabi 530-741-5453
District 4 – Oakland	September 10, 1999	Rich Monroe 510-286-5226
District 5 – San Luis Obispo Watsonville	September 24, 1999 September 30, 1999	John Smida 805-542-4605 Bill Tyler 805-549-3213
District 6 – Fresno	September 23, 1999	Marv Johnson 559-488-4105
District 7 – Los Angeles	September 14, 1999	Jim Kaufman 213-897-9710
District 8 – San Bernardino	September 13, 1999	Lana Beals 909-383-6460
District 9 – Bishop	September 28, 1999	Trudy Mischell 760-872-0657
District 10 – Stockton	September 28, 1999	Ken Puth 209-948-7398
District 11 – San Diego	September 16, 1999	Christine Carrington 619-688-6775
District 12 – Irvine	September 15, 1999	Monroe Johnson 949-724-2470

Exact times and locations can be obtained from your District Local Assistance Office from the person listed above.